A Literature Review of Cultural Intelligence

Ms. Aditi Sharma Dogra & Dr. Varsha Dixit

Research Scholar, Gautam Buddha University, Greater Noida (India)
Assistant Professor, Gautam Buddha University, Greater Noida (India)

ABSTRACT
Organizations are getting transformed into international organizations due to developments taking place in the area of leadership, technology, business models and the composition of the workforce. Cultural Intelligence has become the key driver to understand, adapt and perform in an international arena. Cultural intelligence gives an insight on understanding why some of the individuals are able to cope and succeed in a diverse environment than others. There are various studies been undertaken to know the unprecedented impact of CQ on the global organizations. This paper aims to provide an extensive review of the literature on CQ. For a better understanding, the review has been divided into two sections based on two approaches i.e. definition and variables. Further the division into two sections (definition and variables undertaken) has helped to magnify the growing importance of the concept of CQ. In the first section a snapshot of existing literature covering various definitions related to CQ and its dimensions has been dealt with. Second section discusses the variables chosen by various scholars to study CQ along with the methodology adopted to analyze the relationship of CQ with other constructs.

1. Introduction
Today’s organizations are called global organizations which are continuously striving to bridge the differences related to culture and leverage maximum out of the cultural differences. As the leaders and teams are getting indefinite exposure of working with people across the border they are getting their knowledge molded accordingly. There arises a need to understand why and how some of the individuals/leaders are able to cope and manage in a diverse cultural environment in comparison to others. Thus Cultural Intelligence is increasing the ability of the individuals to understand, adapt and adjust in a culture different setting. Dogra & Dixit (2017). The knowledge of cultural differences by individuals helps them to perform better across border and harness the various opportunities existing in overseas markets or economy. Dogra & Dixit (2017). Cultural Intelligence or Cultural Quotient also known as ‘CQ’ connects an individual to an outside world in a better way and that’s why it is called a culture free construct according to Ng & Earley (2006). CQ further increases the awareness of global perspectives of the leaders and assists them to recognize and streamline cultural synergies. Thus the benefits of higher Cultural Intelligence in individuals help them to be sensitive towards the needs of the multicultural teams in nature, enable them to be aware of the demands of offshore markets, dealing with the local staff and suppliers, better decision making, increase in risk taking ability especially in diverse environment, quick in resolving conflicts arising due to cultural differences and are able to direct their teams towards creativity and innovation. This paper attempts to bring out a palette of approaches undertaken by various eminent scholars and researchers to study cultural intelligence, further it tries to give an overview of the important works that includes conceptual and empirical related to this concept that can help academicians and the industry in future.

2. Literature Review

The concept ‘Cultural Intelligence’ has been discussed in various ways by eminent scholars and researchers. The concept has been developed as a multidimensional construct and research is being undertaken to study its relationship with other types of intelligences. Some have quoted it as an ability to manage and function in a multicultural setting (Ang & Earley) others have described it as a set of skills required to handle cross cultural situations and to be able to create positive impression. Thomas (2006). The review has been divided into two parts based on two approaches for a better understanding of the different studies pivoted around Cultural Intelligence (Refer Figure: 1). The first part deals with the various definitions of Cultural Intelligence and its dimensions covered by various scholars and researchers and the second part of the paper gives an interesting snapshot of the different variables undertaken to study the relationship of cultural intelligence with them.

Figure 1: Different Approaches to Cultural Intelligence Review

1. On the Basis of Definition
The very first scholars to define the concept of CQ were Earley & Ang (2003). They defined as an individual’s potential to
adjust and adapt in cross cultural setting. In consistent with this definition Ang et al. (2007); Ng and Earley(2006) described CQ as a mental state of an individual which helps him/her to deal effectively with individuals and situations from various cultures. So all the scholars were focusing on defining the term in context to individual and the ability to handle the cross cultural differences effectively. In sync with this Earley describes cultural intelligence as the improvisation of the ability to understand various cross cultural interactions. Due to rising demands of the volatile environment and globalization few of the scholars’ defined cultural intelligence as the awareness of the practical realities of globalization and being centric towards intercultural setting. Earley& Ang (2003). The four constructs given by Earley and Ang (2003) are metacognitive, cognitive, behavioral and motivational.

Metacognitive: It is described as a higher order mental process in which an individual is aware about the existing cultural differences that further helps in reasoning, understanding and decision making. It enables an individual to map cultural differences by integrating knowledge related to the same. Earley& Ang (2003).

Cognitive: This is the second critical component of CQ in which an individual is conscious about the cultural differences due to the knowledge gained through education as well as personal experience. This includes knowledge about political, social, economic and legal systems. Earley& Ang (2003); Ang & Inkpen (2008).

Motivational: It is defined as the desire, drive, energy or effort to function in a different culture. It helps an individual to open dialogue with different people and accomplishment of the set goal. The encouragement or a positive feedback through this further triggers the learning about the managing of the cross cultural setting. Ang & Inkpen (2008); Bovornsvakool et al. (2015).

Behavioral: It connotes to an individual’s expressing or exhibiting appropriate behavior via verbal and non-verbal actions in cross cultural settings. The positive feedback, compliments and recognition from other people of different cultural strengthens the threads of behavioral CQ in an individual. Rosenfeld, Giacalone& Riordan (1995).

Cultural Intelligence is also defined as a capability to manage and function in various different cultural situations. (Ang et al. 2007; Ramirez, 2010). The capability includes planning, monitoring and building as well as revising mental models. (Ang et al. 2007; Ramalu et al. 2011).

Some of the researchers tried to highlight the importance of CQ by describing the approach related to cultural intelligence as being not cultural specific i.e. it is a culture free construct that can be related and used in any specific cultural situation. Ng & Earley (2006). Thomas (2006) states that cultural intelligence develops a capability that further assists and allows an individual to understand and act across a wide array of cultures accordingly. He has proposed three components of CQ i.e. knowledge, mindfulness and behavior.

Knowledge: This component comprises of knowledge related to existing cultural differences and encompasses what, why, when and how a culture can create an impact. Thompson (2006) has bifurcated knowledge into two i.e. content and process knowledge. Content knowledge includes the entire knowledge related to understanding the differences in one’s own behavior as well as other people behavior. Bovornsvakool et al. (2015). It is further the ability to bifurcate the similarities and dissimilarities existing in a culture. Thomas (2006). If content knowledge is related to past experiences then it is called assimilation and the change or adjustment of this past knowledge occurs then it is termed as accommodation. So processing at the cognitive level happens continuously and knowledge develops accordingly.

Mindfulness: It is a component which leads an individual min to be at an alert stage towards the perceptions and emotions at a personal level and to be conscious about the external environment. Felver, Doerner, Jones, kaye & Merrel (2013). According to Thomas & Inkson (2009) mindfulness has been stated as an interrelated process consisting of mindful attention, mindful monitoring and mindful regulation.

Behavior: It is described as exhibiting or expressing of appropriate behavior according to a novice cultural setting based on the knowledge and the past experiences which leads to positive outcomes, accomplishments or recognition by other individuals.

The works of these scholars have been acknowledged by many but at the same time have been challenged especially the group which favor culture relativism theory given by Berry & Ward (2006). The key factor is cultural intelligence which is shaping and sharpening the skill set required to perform in a global arena. Peterson (2004) tries to define it as an ability that requires using of specific skill set and qualities that are in tune with the values and attitudes of people with whom the interaction pattern is set. His approach is based on the concept of multiple intelligences. Multiple intelligence approach is based on the Gardner’s (1983) work comprising of seven different types of intelligences out of which he has taken four i.e. Linguistic, Spatial, Intrapersonal and interpersonal intelligences. Linguistic is related to the language used in communicating and expressing. Spatial is the skill required to understand the meaning of proxemics in other cultures. Intrapersonal involves the ability to showcase the right emotions in a different cultural setting. Interpersonal comprises of building an understanding towards others feelings and emotions that will enable an individual to interact in a better way.

Cultural Intelligence is assisting in increasing and building cultural competency in managers, leaders and teams of today’s organizations. It is described as a multidimensional competency encompassing cultural knowledge and the
2. On the Basis of Variables

There is vast literature in the last few years in which researchers have tried to link and study the relationship as well as the impact of CQ along with its sub dimensions on other variables. Since it is a novice and dynamic concept CQ has captured the attention of many researchers and scholars. Many papers are based on the study of individual level CQ. This paper tries to deliberate upon the current research being done to study cultural intelligence and its relationship with other variables. (Refer Figure: 2). Ang, Van Dyne and Koh (2006) have tried to examine the relationship between Cultural Intelligence and Big Five (Costa, Macgrae, 1988) with the help of a sample of business undergraduates from Singapore. The outcome of this experimentation was that the openness to experience was found to have established relationship with all the dimensions of CQ and thus is regarded as a critical personality trait that associates itself within a diverse cultural situation.

Kim, Kirkman & Chen (2008) have proposed a model discussing that cultural intelligence is an important factor for an expatriate’s adjustment and effectiveness in a unfamiliar culture. They have tried to study a relationship between cultural intelligence and the expatriate performance through a theoretical model and have conducted a preliminary study to validate the same. Their work comprises of seven propositions based on the relationship between CQ, adjustment and effectiveness of expatriates. The sample consisted of four forty-two undergraduate students of management. The methodology and analysis includes descriptive statistics, correlation and multi-trait multi method. The focus of this study has been expatriate performance and could have included other indicators or measures to showcase effectiveness of expatriates. Performance need to be studied as a multi dimensional concept.

Shokef and Erez (2008) have tried to study the relationship between cultural intelligence, individual global identity and multi cultural teams and their possible contribution to team performance. They have developed a conceptual model and four propositions and further empirically proving the same through descriptive statistics, correlations and hierarchical linear modeling. Their study facilitates in understanding of the significant role of CQ which enables an employee to adjust and adapt in global diverse environment. They have further suggested that team level CQ must be developed so as to gain a better understanding of cultural intelligence in context to workgroups.

Elenkov & Manev (2009) have attempted to study the moderating role of Cultural Intelligence on Expatriate managers and also have tried to study the impact of Expatriate Leadership on rate of innovation adoption in an organization. They have proposed four hypothesis and the data has been collected from European countries (Country Project Coordinator’s). Control variables were organizational size and age along with the tenure. Methodology adopted includes descriptive statistics, correlation and regression analyses so as to validate the hypothesis. Their study proves that the transformational leader behavior of senior expatriate managers significantly impacts rate of adoption in terms of product and organizational innovation. Cultural intelligence plays a vital role in the aforesaid relationship. The limitation comprises of the sample taken from European Countries which can be treated as a possible cultural bias.

Ng, Dyne & Ang (2009) have proposed a process model in which they have integrated the experiential learning and cultural intelligence. The model is based on the fifteen propositions which tries to position CQ as a moderator that
influences global leader learning outcomes. It consists of three key constructs i.e. cultural intelligence, experiential learning and global leader learning outcomes. They have tried to explain the impact of CQ on an individual working on offshore assignments and getting actively engaged in the different four stages of experiential learning- experience, reflect, conceptualize and experiment. They suggest that a higher degree of CQ greatly influences experiential learning of an individual during international assignments and becomes a key reason for an exemplary performance overseas. The strength of the paper is the strong propositions supported by vast literature but there is a limitation to the fact that the propositions are required to be proved with the help of empirical work.

Karma & Vedina (2009) have brought a conceptual model to study CQ and its role as a prism between workforce diversity and group performance. Diversity at the group level could be challenging so they have tried to study the positive and negative effects of diversity and transformation of the negative effect into positive with the help of CQ. This paper tries to bring out a model which discusses the work already done and work which can be undertaken by the researchers to study the relationship between the variables. The work discusses a theoretical model which needs to be empirically proved so as to provide a strong support to the framework.

Ramirez (2010) has proposed a model in which CQ is taken as an independent variable and conflict resolution ability has been discussed as a dependent one. They tested the high and low impact of CQ on weak/strong conflict resolution ability with the help of a 2X2 factorial design. For this they selected four groups of church staff members comprising of African, Anglo, Hispanic American and Asian who are also Americans. CQ was measured with help of a twenty-item scale. Ang et.al (2007). A Likert survey scale was used to test the conflict resolution strategy most appropriate for the sample’s cultural norms.

Another paper tries to investigate the effect of CQ on Cross- Cultural Adjustment and job performance amongst expatriates in context to Malaysia. Ramalu et al. (2011). To study this they have taken a sample of 332 expatriates working in Malaysia. To measure CQ they have taken twenty-item scale and for cross cultural adjustment Black and Stephens’ (1989) self-reported fourteen-item scale was used. The results indicated that the CQ were significantly related to cross cultural adjustment and job performance.

With the growth in the economies and internationalization of projects, scholars have tried to magnify the relation between Cultural Intelligence and Leadership. In consistency with this Rockstuhl et al. (2011) examined the relation between CQ and Cross Border Leadership Effectiveness, in which they found that CQ is positively related cross border leadership effectiveness. The sample taken by them consisted of 126 Swiss military officers responsible for both domestic as well as cross border. They developed a 6-item scale to measure general leadership effectiveness and cross-border leadership effectiveness. A 20-item scale given by Ang et.al (2007) was used to measure CQA CFA analysis along with hierarchical regression & relative weight analyses was undertaken. It was found that CQ was positively related to cross border leadership effectiveness.

A very interesting work has been taken up by Groves and Feyerherm (2011), in which they have attempted to associate Leader CQ with leader performance and team performance. Team cultural diversity has been taken as a moderator in this study. The sample of 420 was drawn from various sectors such as financial services, aerospace, health care, hospitality and government services comprising of leaders and their team with diverse backgrounds with respect to ethnicity and nationality. A twenty-item scale given by Ang et.al (2007) was used to measure CQ. Leader Performance scale consisting of six item was adapted from the work of Turnley, Bolino, Lester, and Bloodgood’s (2003); Groves & Feyerherm (2011) and Team Performance was measured by a 3-item scale developed by Heilman, Block, and Lucas (1992). Various test such as intraclass correlations, CFA, Chi square(2), goodness-of-fit index (GFI), comparative fit index (CFI) and regression have been used to ascertain the validity of the constructs. The results showcase that the leaders with high Cultural Intelligence validate higher performance on multicultural teams in comparison to culturally homogeneous teams. The leaders with high CQ also facilitate greater team performance on culturally diverse teams. The study has been validated by various methods but the treatment of diversity in the paper needs a much more clear methodology.

Kim & Dyne (2011) have developed a conceptual model in which CQ mediates the effects of previous intercultural contact on international leadership potential. To develop a model they have tried to integrate contact theory (Allport,1954) and cultural intelligence theory. For this they have developed four hypothesis to prove this relationship. A questionnaire was filled by 441 working adults at an international professional conference. The scale used to measure CQ was twenty-item scale. Ang et.al (2007) and international leadership potential was assessed with the help of an adapted 3-item scale by Lyness and Juedisch (2008). The results showcased a significant and positive relationship of CQ to international leadership potential, further prior intercultural contact was found to be positively associated with international leadership potential. In brief, CQ completely mediated the relationship between prior intercultural contact and international leadership potential.

Kodwani (2012) tries to highlight the relationship between CQ and employee engagement so as to lower expatriate failure rate and enhance their productivity. Data was collected from a sample of 470 Indian managers who have worked on international assignments as expatriates. He has taken three abstracts of CQ i.e. cognitive, motivational/emotional and behavioral. CQ was measured with a 12-item scale developed by Earley and Mosakowski (2004). Various statistical tools were used such as Cronbach’s α, Pearson’s product moment correlation, multiple regression analysis and T- test. The results depicted by regression analysis indicate that higher level of CQ is mandatory for male and female employees required to work globally away from their home country further it shows that of all the three dimensions emotional/motivational CQ contributes more in engagement.
Engle & Crowne (2013) tried to study the impact of short term international experience on each of the four dimensions of CQ. The objective of their study is centered on contact theory given by Allport (1954) and for this they have taken a sample of 135 subjects which was further divided into two groups: test group (105 students) and control group (30 subjects). CQ was assessed with the help of a 20-item scale given by Ang et.al (2007). Various analysis was taken up like Correlation and T test. The outcome was significant increase in all the four CQ factors in test group whereas there was no significant change or increase in control group. Their study proved positive impact of short term international experience (test group) on CQ’s dimensions.

Groves &Feyerherm (2014) have attempted to examine the influence of CQ on multi- cultural negotiation performance. They have tried to develop hypothesis based on gaps found by them that includes expansion of nomological net of CQ theory and to study the influence of CQ on cross-cultural negotiation process. Sample included 113 fully employed MBA students of a medium sized public university located in Southwestern United States. The measures used are 20-item scale to assess CQ given by Ang et.al (2007) and a negotiation performance assessment instrument to examine negotiation performance. There are various control variables taken by them: emotional intelligence, international experience, negotiation experience and openness to experience and extraversion. Hierarchical Regression analyses has been used to test the results of hypothesis. The results found that negotiators with high CQ demonstrated higher negotiation performance and greater IBN (interest based negotiation) behavior in comparison to negotiators with low CQ.

Jyoti &Kour (2015) have tried to examine the role and impact of cultural intelligence on task performance and further have tried assess the mediating role of cultural adjustment in context to India. They have tried to showcase that India is a multicultural country and so they have collected data from 225 managers working in national banks in Jammu province. The methodology adopted by them to validate the hypothesis is CFA and SEM. The control variables undertaken for the study were age, experience of working outside home state and the no. of languages an individual can speak. The strength and the newness of the study is the unique way of visualizing Cultural Intelligence in context to India. But a slight deviation from the original definitions of the profounnder can be felt who state that cultural intelligent leaders are those who have an experience of working on foreign assignments abroad or offshore.

Mukherji, Jain & Sharma(2016)have attempted to examine imperative constructs i.e. cultural intelligence, global leadership preparedness and communication effectiveness in context of anxiety and uncertainty management on Indian managers. In order to study this relationship hypothesis have been framed that focuses on independent variables (Cultural intelligence and communication effectiveness) and dependent variable (global leadership preparedness).Data was gathered from managers working in IT and ITES companies located in NCR region thus stratified random sampling was done. The scales used were 20-item to measure cultural intelligence. Ang et.al (2007). A four factor scale to measure communication effectiveness that includes self-concept, reaction to strangers, group interaction and mindfulness. An adapted version of the Global Leadership Scale (Black, Morrison and Gregersen, (2008) which comprises of four factors, inquisitiveness, duality, business savvy and personal character was taken. Mean, Standard Deviation, Inter-correlation, CFA and Regression analysis was used to study the pattern of consistency in the hypothesized relationships. The results demonstrated a significant positive relationship between Cultural intelligence and Global Leadership Preparedness. The results also showcase that a significant relation exists between communication effectiveness and global leadership preparedness.

Dogra & Dixit (2017) presents a conceptual model to study the relationship between Leader CQ on Team performance (Innovation and Conflicts), Team diversity (Social Category, Informational and Value) as a moderator. They have taken team diversity as a moderator to study the relationship where in Leader CQ is independent variable and team performance is a dependent variable. Team performance as suggested by them can be measured with the help of innovations and conflicts. They have built hypothesis suggesting that the Leader CQ and team performance will be higher in teams greater in diversity. Further their propositions showcase that a leader high in CQ could lead a team to be inclined towards creativity and thus can be more innovative in performance whereas if a high CQ in a leader could also minimize conflicts at the workplace that can boost the performance of a team. The work is purely a theoretical one which can be empirically taken up to support the propositions and the framework.

Dogra & Dixit (2017) have brought out a very interesting theoretical framework in which they have tried to integrate various constructs so as to bring the relationship between Leader CQ, Team CQ and Organizational CQ under the lens. The model presented is though simple but is novice in nature which provides a new platform to the researchers to think in this direction. They have discussed all the constructs and sub constructs in detail and thereby have suggested five propositions on which empirical study can be undertaken in future which would be beneficial in developing the concept of cultural intelligence not only at an individual level but also at team and organizational level.

3. Research Approach

The methodology adopted to gather information on CQ was publication time frame when Earley and Ang (2003) had introduced the concept of Cultural Intelligence to 2017.Second criterion was that the papers available in English language was only taken into consideration. An extensive electronic search was conducted based on the key words CQ or Cultural Intelligence. There was a vast amount of literature available with its dimensions i.e. metacognitive, cognitive, motivational & behavioural and the second categorization was done on the basis of available conceptual or theoretical models supported with hypothesis or propositions. A wide spectrum of empirical as well as conceptual work revealed that Cultural Intelligence is of utmost importance to the corporates and the managers working in a volatile business environment.
4. Conclusion, Implication and Future Scope

The unprecedented growth and the fierce competition calls for a need to embrace a set of unique competency skills especially in terms of cultural intelligence by the Leaders and Teams so as to perform and gain momentum. This paper has tried to bring under lens the current research being done by the various scholars and their contributions in the area of cultural intelligence. The first part of the paper discusses and throws light upon a palette of definitions related to cultural intelligence given by various scholars. Ang et. al (2007) discuss the importance of cultural intelligence in context of an individual by stating that it is the ability of an individual to manage and function in a cross cultural setting. Earley and Ang (2003) state that is the awareness towards the globalization thus focusing on the rapid changes happening in the economy. There are scholars like Ng &Earley (2006) who have emphasized on one of the most imperative characteristic of culture intelligence i.e. this type of intelligence is not culture bound or limited to one culture. Thomas (2006) focuses on building capability so as to understand the cultural differences in a better way. Peterson (2004 ) attempts to define CQ as the ability required in developing a skill set that is in sync with other people’s values and attitudes. Thus there is a shift in the school of thought as previously the scholars were focusing more on building or developing ability to understand differences but now they emphasize also to synchronize their actions and behaviors according to the values of other people from a different culture.

The second part of the paper provides a snapshot of papers based on the study of relationship of cultural intelligence with other dynamic variables. Many interesting studies have been conducted and the results have been produced to prove a significant relation between Cultural Intelligence and other variables such as diversity, performance, cross cultural negotiation, communication effectiveness, experiential learning and employee engagement undertaken. Cultural Intelligence have not only been undertaken as an independent variable but few of the scholars have attempted to study the role played by Cultural Intelligence as a mediator or a moderator in their proposed models. Some of the major works includes studying the relation between CQ and performance. (Karma&Vedina; 2009, Groves &Feyertherm; 2011, Ramalu et.al; 2011, Dogra & Dixit; 2017).This paper has tried to provide a gist of the variables, methodology adopted and the samples drawn by prudent scholars in a nutshell.

A lot of work has been undertaken to study individual/ leader based cultural intelligence but now many researchers are working in the field of organizational cultural intelligence ( Ang &Inkpen; 2006, Yitmen; 2013, Lima et.al, 2015).From the inception to date ample developments have taken place to study the impact or influence of cultural intelligence on other variables like performance, conflicts and changes have been worked upon by the managers and organizations to leverage out of the same. A wide spectrum of conceptual and theoretical models exist which if empirically worked upon could contribute towards the development and better understanding of the concept of Cultural Intelligence in context to individuals, teams and organizations. Cultural Intelligence is also been linked and applied across disciplines especially psychology. The relationship between Cultural Intelligence and other intelligences such as social intelligence, spiritual intelligence and emotional intelligence is been undertaken so as to study similarities and differences between them. The modules of the training programs especially for the expatriates has to be designed in consonant with the concept of cultural intelligence so as to lessen the failure rate in the performance of leaders as well as teams. Creating the right cultural synergy is utmost important for the increase in success rate out of overseas trading relationships/venture. The increase of cross workplaces and the agility of the organizations leads to the creation of a dynamic and multicultural work environment posing some serious challenges which can be countered with the help of Cultural Intelligence. There lies the responsibility with the human resource department of global organizations to redesign and mould its selection process accordingly so as to capitalize from Cultural Intelligence. The senior at the middle level managers need to imparted right training in order to be able to deal effectively with the challenges of handling a multicultural team or working offshore. There can be a improvisation of the adjustment, adaptability and effectiveness in the performance of such managers who possess the knowledge about the concept of Cultural Intelligence along with its sub constructs i.e. metacognitive, cognitive, motivational and behavioural. Thus, the complete knowledge of Cultural Intelligence could lead to better interactions amongst the members of a team and help the leader to effectively lead further creating a global identity of the organization. There are still many dimensions related to the concept of CQ which has been untouched such as team and organizational cultural intelligence. There is need to incorporate the importance of this concept in the training programs of the globalized organizations at every level of hierarchy so as to overcome the future challenges that lay ahead.

References

30. NG, Yee- Kok, Van Dyne, L., & Ang Soon.(2009). From Experience to Experiential Learning: Cultural Intelligence as a learning capability for Global Leader Development.Academy of Management Learning & Education